

6. Programming and Operations Standards. Lee and SBBC will generally follow the standards set forth in Attachment III in its programming and operations. SBBC further agrees that if, in the sole judgment of Lee, SBBC does not comply with these standards, Lee may suspend or cancel any specific program not in compliance.

All equipment necessary for broadcasting by the Station shall be maintained by Lee in a condition consistent with good engineering practices and in compliance in all material respects with the applicable rules and regulations of the Commission. All capital expenditures reasonably required to maintain the quality of the Station's signal shall be made by Lee in a timely fashion. Upon Lee's timely request, SBBC shall reimburse Lee for the maintenance of station equipment and shall reimburse Lee for all capital expenditures reasonably required to maintain the quality of the station's signal. However, the preceding sentence shall not be deemed to obligate SBBC to take any steps to correct any interference problems.

During the term of this Agreement, Lee shall maintain such records and information required by the Federal Communications Commission to be placed in the public inspection files of the Station pertaining to the broadcast of political programming and advertisements, in accordance with the provisions of Sections 73.1940 and 73.3526 of the Commission's rules, and to the broadcast of sponsored programming addressing political issues or controversial subjects of public importance, in accordance with the provisions of Sections 73.1212 of the Commission's rules. Upon request, SBBC shall furnish Lee with any and all material in SBBC's possession reasonably required by Lee to maintain such files. SBBC shall also consult with Lee and adhere strictly to statutes and rules, regulations, and policies of the Commission, as announced from time to time, with respect to the carriage of political advertisements and programming (including, without limitation, the rights of candidates and, as appropriate, others to equal opportunities) and the charges permitted therefor. SBBC will provide to Lee such documentation relating to such advertisements and programming as Lee shall reasonably request and shall indemnify the Station for any claim, demand, cost, or expense (including reasonable attorneys' fees) arising from the broadcast of any such material by the Station during the term of this Agreement.

7. Responsibility for Employees and Expenses. SBBC shall employ and be responsible for the salaries, taxes, insurance and related costs for all persons used in the production of its programming. SBBC shall provide at its expense a duly licensed duty operator at all times SBBC is using the Stations' airtime. All such duty operators and all SBBC personnel present at the Station shall be subject to the supervision and direction of Lee's Manager. Lee shall pay for all costs associated with its program production, all fees to ASCAP and BMI and for any other copyright fees attributable to its programming broadcast on the Station, subject to reimbursement by SBBC as hereinafter set forth. SBBC shall also pay for all costs associated with Arbitron or any other ratings service. SBBC shall advance to Lee on a monthly basis all of Lee's operating expenses (herein referred to as Monthly Base Amount).

8. **Operation of Station.** Notwithstanding anything to the contrary in this Agreement, Lee shall retain full authority and power with respect to the operations of the Station during the period of this Agreement. Lee shall provide and pay for (a) its Manager for the Station, who shall report solely to, and be accountable solely to Lee and who shall direct day-to-day operations of the Station and (b) such other engineering and programming costs and expenses as are necessary to fulfill its obligations under this Agreement. Lee shall be responsible for maintaining and staffing the main studio. Lee shall retain control, said control to be reasonably exercised, over the policies, programming and operations of the Station, including, without limitation, the right to decide whether to accept or reject any programming or advertisements, the right to preempt any programs in order to broadcast a program deemed by Lee to be of greater national, regional, or local interest, and the right to take any other actions necessary to comply with the laws of the United States, the State of Michigan, and the rules, regulations, and policies of the Federal Communications Commission, including the prohibition of unauthorized transfers of control. Lee shall be responsible for meeting all of its requirements with respect to its local service obligations including, but not limited to, broadcasting station identifications and maintaining its main studio within the Station's principal community contour.

9. **Special Events.** Lee reserves the right, in its sole discretion and without liability, to preempt any SBBC programs, and to use part or all of the time contracted for by SBBC to broadcast events of special importance. In all such cases, Lee will use its best efforts to give SBBC reasonable notice of its intention to preempt such broadcast or broadcasts, and, if there is such preemption, SBBC shall receive the payment credit specified in Attachment II for the SBBC broadcast or broadcasts which were preempted.

10. **Force Majeure.** Any failure or impairment (i.e., failure to broadcast at Station's full authorized height and power) of facilities or any delay or interruption in broadcast programs, or failure at any time to furnish facilities, in whole or in part, for broadcasting, due to acts of God, strikes or threats thereof or force majeure or due to causes beyond the control of Lee shall not constitute a breach of this Agreement and Lee will not be liable to SBBC, except to the extent of allowing in each such case an appropriate payment credit for time or broadcasts not provided based upon a pro rata adjustment to amounts due as specified in Attachment II based upon the length of time during which the failure or impairment exists.

11. **Right to Use the Programs.** The right to use SBBC's programs and to authorize their use in any manner and in any media whatsoever shall be and remain vested solely in SBBC.

12. **Payola.** SBBC agrees that neither it nor its employees will accept any material compensation or any material gift or gratuity of any kind, regardless of its form, including, but not limited to, a commission, discount, bonus, materials, supplies or other merchandise, services, or labor, whether or not pursuant to written contracts or agreements between SBBC and merchants or advertisers, unless the

payer is appropriately identified on the air as having paid for or furnished such consideration in accordance with FCC requirements. SBBC agrees to execute and provide Lee with an annual Payola Affidavit, substantially in the form which is attached hereto as Attachment IV.

13. **Compliance with Law.** SBBC Agrees that throughout the term of this Agreement, it will comply with all laws and regulations applicable to the conduct of its business.

14. **Indemnification; Warranty.** SBBC will indemnify and hold harmless Lee, its directors, officers, employees, agents and affiliates from and against all liability, including without limitation all consequential damages and attorney fees, arising out of or incident to the programming furnished by SBBC or the conduct of SBBC, its employees, contractors, or agents. Without limiting the generality of the foregoing, SBBC will indemnify and hold and save Lee, its directors, officers, employees, agents and affiliates harmless against liability for libel, slander, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights resulting from the programming furnished by SBBC. Lee reserves the right to refuse to broadcast any program or programs containing matter which is, or in the reasonable opinion of Lee may be, or which a third party claims to be, violative of any right of theirs for which may constitute a personal attack as the term is and has been defined by the Federal Communications Commission. SBBC's obligation to hold Lee harmless against the liabilities specified above shall survive any termination of this Agreement. It is expressly agreed that SBBC does not indemnify Lee or otherwise have any responsibility for payment of any forfeiture assessed against Lee or any of its principals in connection with FCC MM No. 93-298.

15. **Events of Default.** The following shall, after the expiration of the applicable cure periods, constitute Events of Default under the Agreement:

15.1 **Non-Payment.** SBBC's failure to timely pay the consideration provided for in Paragraph 2 hereof;

15.2 **Default in Covenants.** SBBC's or Lee's material default in the observance or performance of any material covenant, condition or agreement contained herein; or

15.3 **Breach of Representation.** SBBC's or Lee's material breach of any representation or warranty herein, or in any certificate or document furnished pursuant to the provisions hereof, which shall prove to have been false or misleading in any material respect as of the time made or furnished.

15.4 **Cure Periods.** An Event of Default shall not be deemed to have occurred until fifteen (15) business days after the non-defaulting party has provided the other party with written notice specifying the event or events that if not cured would constitute an Event of Default and specifying the actions necessary to cure within such period. This period may be extended for a reasonable period of time if the defaulting party is acting in good faith to cure and such delay is not materially adverse to the other party.

15.5 **Termination upon Default.** If there is an uncured Event of Default by SBBC, Lee shall be under no further obligation to make available to SBBC any further broadcast time or broadcast transmission facilities and all amounts accrued or payable to Lee up to the date of termination which have not been paid shall immediately become due and payable.

15.6 **Liabilities upon Termination.** SBBC shall be responsible for all liabilities, debts and obligation of Lee resulting from the use of air time and transmission facilities, including, without limitation, accounts payable, barter agreements and unaired advertisements, but not for Lee's federal, state, local and other tax liabilities associated with SBBC's payments to Lee as provided herein.

16. **Representations.** Both SBBC and Lee represent that they are legally qualified, empowered, and able to enter into this Agreement.

17. **Modification and Waiver.** No modification or waiver of any provision of this Agreement shall in any event be effective unless the same shall be in writing signed by the party against whom the waiver is sought to be enforced, and then such waiver and consent shall be effective only in the specific instance and for the purpose for which given.

18. **No Waiver; Remedies Cumulative.** No failure or delay on the part of SBBC or Lee in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of SBBC and Lee herein provided are cumulative and are not exclusive of any right or remedies which they may otherwise have.

19. **Construction.** This Agreement shall be construed in accordance with the internal laws of the State of Michigan and the obligations of the parties hereto are subject to all federal, state or municipal laws or regulations now or hereafter in force and to the regulations of the Federal Communications Commission and all other governmental bodies or authorities presently or hereafter duly constituted. The parties believe that the terms of this Agreement meet all of the requirements of current Federal Communications Commission policy for brokerage agreements and agree that they shall negotiate in good faith to meet any Federal Communications Commission concern with respect to it if they are incorrectly interpreting current Federal Communications Commission policy or that policy is modified. If the parties cannot agree to a modification or modifications deemed necessary by either party to meet Federal Communications Commission requirements, the termination provisions of Paragraph 20 below shall apply. The parties further agree that they will submit to the FCC a copy of this Agreement so that the FCC will be aware of the parties' plan.

20. **Termination.** Either party may terminate this Agreement by giving six (6) months' advance notice to the other party by tendering to the other party cash equal to the fee (the Termination Fee) as defined herein; provided that either party can make such termination effective immediately if it has been

ordered by the Commission to do so to comply with Federal Communications Commission rules or policies. In the event of such FCC-mandated termination, neither party shall have any obligation to the other. If either party terminates this Agreement prior to the expiration of its terms without having been first advised by the FCC that the Agreement violates FCC rules or policy, the Termination Fee shall be Fifty Thousand Dollars (50,000.00).

21. **Headings.** The headings contained in this Agreement are included for convenience only and no such heading shall in any way alter the meaning of any provision.

22. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns, including, without limitation, any transferee or assignee of the Commission license for the Station. Notwithstanding the above, in the event Lee shall decide to assign the license and assets of Station to an Eligible Third Party as defined herein, or to transfer control of Lee to an Eligible Third Party (herein: Station Sale), and the Eligible Third Party does not desire to continue the Agreement, Lee shall include in any agreement governing the Station Sale a provision making a condition to the closing of the Station Sale the payment to SBBC of the Termination Fee as defined in Paragraph 20 hereof.

Lee agrees to send by overnight courier service within two (2) business days following the execution of any agreement governing a Station Sale a legible copy of the agreement. An Eligible Third Party is defined as a bona fide purchaser for value of the Station which purchaser is not affiliated with Lee and/or whose principals, partners, officers and/or directors are not related or formerly related to the principals, officers and directors of Lee as of the date of execution of the Time Brokerage Agreement.

23. **Counterpart Signatures.** This Agreement may be signed in one or more counterparts, each of which shall be deemed a duplicate original, binding on the parties hereto notwithstanding that the parties are not signatory to the same original or the same counterpart.

24. **Effective Date.** The "Effective Date" for purposes of this Agreement shall be the date the Station begins to broadcast programming produced by SBBC. SBBC shall begin producing programming for broadcasting over the Station seven (7) days after the FCC grant of authority to resume operations following the filing by Lee of an Application for Direct Measurement of Power and a Partial Proof of Performance.

25. **Notices.** Any notice required hereunder shall be in writing and any payment, notice or other communications shall be deemed given when delivered personally or mailed by certified mail or Federal Express, postage prepaid, with return receipts requested and addressed in accordance with in Attachment V hereto.

26. **Entire Agreement.** This Agreement embodies the entire agreement between the parties and there are no other agreements, representations, warranties, or understandings, oral or written, between

them with respect to the subject matter hereto. No alteration, modification or change of this Agreement shall be valid unless by like written instrument.

27. **Severability.** Except as set forth in Section 20, if any provision or provisions contained in this Agreement is held to be invalid, illegal or unenforceable, this shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had not been contained herein.

28. **No Joint Venture.** The parties agree that nothing herein shall constitute a joint venture between them. The parties acknowledge that call letters, trademarks and other intellectual property shall at all times remain the property of the respective parties and that neither party shall obtain any ownership interest in the other party's intellectual property by virtue of this Agreement.

29. **Hold Harmless.** Lee acknowledges that it will be responsible for meeting all standards for the operation of WTRX at its Flint studio, transmitter and tower sites. It agrees to hold harmless SBBC for any liabilities resulting from the use of any and all equipment and structures as they relate to any and all government standards including but not limited to E.P.A., O.S.H.A., F.C.C. and F.A.A.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

DAVID LEE COMMUNICATIONS, INC.

By 

David Lee Schuchrer, President

SAGINAW BAY BROADCASTING CORPORATION

By 

Joseph M. Mengden, Chief Executive Officer

ATTACHMENT I

BROKERED TIME

Throughout the term of this Agreement, Lee shall make the station available to SBBC for program transmission a minimum of 164 hours per week, Sunday through Saturday, except for downtime occasioned by routine maintenance. Lee's reserved airtime of up to four (4) hours per week shall be scheduled between the hours of 6am and 10am on Sundays. Any routine or non-emergency maintenance work affecting the operation of the station at full power shall be scheduled with at least forty-eight (48) hours notice to SBBC.

ATTACHMENT II

Page 1 of 2

COMPENSATION

Compensation to be paid by SBBC to Lee will be as follows commencing from the effective date in Paragraph 24 of this agreement:

1. **Failure to Broadcast.** SBBC acknowledges that all or part of the Purchased Time may not be broadcast over the air due to preemption pursuant to Paragraph 9 of this Agreement or to events beyond the reasonable control of Lee including, without limitation, acts of God and government, strikes and other labor difficulties, change of ownership of the Station or Station's technical difficulties. In the event scheduled programming referenced herein is not able to be broadcast for any such reason, other than by act of God, not on public emergency, Lee shall prorate and credit amounts payable under the Agreement as be liable for any consequential or incidental damages relating to its failure or inability to air scheduled programming of its choosing and to retain the revenues from any advertising broadcast in any such period.

2. **Fees.** Upon execution of this Agreement, Lee shall waive all fees during first twelve (12) months of Agreement, which waiver is deemed to be a credit for SBBC advancing to Lee funds, not to exceed Twenty-five Thousand Dollars, (25,000.00), to pay expenses necessary to put the Station back into operation, including but not limited to, engineering fees incurred in connection with preparation of a Partial Proof of Performance. Thereafter, the fee schedule shall be as follows: One thousand dollars per month for twelve (12) months, renewable annually up to twenty-four (24) months.

In addition, SBBC shall pay Lee ^{effective immediately on the 10th of the month} twenty-five (25) percent of sales revenue net of all rep and agency commission collections based on all cash sales transacted south of the Genesee/Saginaw County line, or attributable to that percentage of business south of said line. As an example:

2.1 **ADI Buy.** If the agency for Hardies buys advertising for all area restaurants and four are north of county line and four are south, then 50% of sales would be attributed to the Flint Division.

2.2 **Flint Buy.** If Superior Cadillac/Pontiac, located in Flint, buys time, the total sale is attributed to the Station.

2.3 **Tri-Cities Buy.** If Sarrow Olds, located in Saginaw, buys time, no portion of the sale is attributable to the Station.

0-25
following
the
calendar
quarter.
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ATTACHMENT II

Page 2 of 2

COMPENSATION

3. **Expense Reimbursement.** SBBC shall also pay to Lee within five (5) business days of Lee's request the Monthly Base Amount or any portion thereof which represents reimbursement for the following:

4.1 Property taxes: All taxes shall be considered reimbursed by a \$1,000.00 quarterly payment made at the end of each quarter beginning three months after the beginning of this agreement.

4.2 Transmitter and tower electricity.

4.3 Phone charges for broadcast lines.

4.4 Libel insurance.

4.5 Tower and transmitter property insurance.

4.6 Music licensing fees.

ATTACHMENT III

Page 1 of 4

PROGRAM AND OPERATION STANDARDS

SBBC and Lee shall cooperate in the broadcasting of programs of the highest possible standard of excellence. Without limiting the generality of the foregoing, SBBC and Lee will observe the following policies in the preparation, writing and production of their own (non-syndicated or network) programs:

1. **Respectful of Faiths.** The subject of religion and references as to particular faiths and tenets shall be treated with respect at all times.
2. **Controversial Issues.** Any discussion of controversial issues of public importance shall be reasonably balanced with the presentation of contrasting viewpoints in the course of overall programming; no attacks on the honesty, integrity, or like personal qualities of any person or group of persons shall be made during the discussion of controversial issues of public importance; and during the course of political campaigns, Station programs (other than public forum or talk features) are not to be used as a forum for editorializing about individual candidates. If such events occur, Lee may require that responsive programming be aired. In the event that a statute, regulation or policy is adopted that requires the airing of responsive programming, SBBC agrees to comply with such statute, regulation or policy and will prepare such responsive programming.
3. **Donation Solicitation.** Requests for donations in the form of a specific amount shall not be made if there is any suggestions that such donations will result in miracles, physical cures or life-long prosperity. However, statements generally requesting donations to support the broadcast are permitted.
4. **Treatment of Parapsychology.** The advertising or promotion of fortune-telling, occultism, astrology, phrenology, palm reading, numerology, mind-reading, character readings, or subjects of the like nature will not be broadcast.
5. **No Ministerial Solicitations.** No invitations by minister or other individual appearing on any program to have listeners come and visit him or her for consultation or the like shall be made if such invitation implies that the listeners will receive consideration, monetary gain, or total physical cures for illness.
6. **No Vending of Miracles.** Any exhortation to listeners to bring money to a church affair or service is prohibited if the exhortation, affair, or service contains any suggestion that miracles, total physical cures, or life-long prosperity will result.
7. **Sale of Religious Artifacts.** The offering for sale of religious artifacts or other items for which listeners would send money is prohibited unless such items are normally available in ordinary commerce or are clearly being sold for proper fund-raising purposes.

ATTACHMENT III

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PROGRAM AND OPERATION STANDARDS

8. **No Miracle Solicitation.** Any invitation to listeners to meet at places other than the church and/or to attend other than regular services of the church is prohibited if the invitation, meeting, or service contains any claim that miracles, total physical cures, or life-long prosperity will result.

9. **No Plugola or Payola.** The mention for any business activity or plug for any commercial, professional, or other related endeavor, except where contained in an actual commercial message of a sponsor, or if otherwise lawful, is prohibited.

10. **No Lotteries.** Announcements giving any information about lotteries or games prohibited by federal or state law or regulation are prohibited.

11. **No Dream Books.** References to dream books, the straight line, or other direct or indirect descriptions or solicitations relative to the numbers game, or the policy game, or any other forms of gambling are prohibited.

12. **No Numbers Games.** References to chapter and verse paragraphs, paragraph numbers, or song numbers, which involve three digits should be avoided and, when used, must reasonably relate to a non-gambling activity.

13. **Election Procedures.** At least fifteen (15) days before the start of any primary or regular election campaign, SBBC will clear with Lee's General Manager in writing the rate SBBC will charge for the time to be sold to candidates for public office and/or their supporters to make certain that the rate charged is in conformance with applicable law and Station policy.

14. **Commercial Limitations.** With respect to any given segment of air time hereunder, the amount of commercial matter shall not normally exceed sixteen (16) minutes during any sixty (60) minute segment, except during political broadcast periods when eighteen (18) minutes shall not normally be exceeded. SBBC will provide to Lee a list of all commercial and public affairs or public service announcements aired during its programming. The list will be provided to Lee on a monthly basis.

15. **Required Announcements.** SBBC shall broadcast (a) an announcement in form satisfactory to Lee at the beginning of each hour to identify the Station, (b) an announcement at the beginning of each broadcast day or relevant broadcast period to indicate that program time has been purchased by SBBC and (c) any other announcement that may be required by law, regulation or Station policy.

16. **Commercial Record Keeping.** No commercial messages or "plugs" or undue references shall be made in programming presented over the Station to any business venture, profit-making activity, or

ATTACHMENT III

Page 3 of 4

PROGRAM AND OPERATION STANDARDS

other interest (other than non-commercial announcements for bona fide charities, church activities, or other public service activities) in which the Station or its employees is or are directly or indirectly interested without the same having been approved in advance by Lee's General Manager or such broadcast being announced and logged as sponsored.

17. No Illegal Announcements. No announcement or promotion prohibited by federal or state law or regulation of any lottery or game shall be made over the Station.

18. License Discretion Paramount. In accordance with the licensee's responsibility under the Communications Act of 1934, as amended, and the Rules and Regulations of the Federal Communications Commission, Lee reserves the right to reject or terminate any advertising or programming being presented over the Station which is in conflict with Station policy or which in Lee's sole but reasonable judgement would not serve the public interest.

19. Programming Prohibitions. SBBC shall not knowingly broadcast any of the following programs or announcements.

- A. False Claims. False or unwarranted claims for any product or service.
- B. Unfair Imitation. Infringements of another advertiser's rights through plagiarism or unfair imitation of either program idea or copy, or any other unfair competition.
- C. Commercial Disparagement. Any unfair disparagement of competitors or competitive goods.
- D. Profanity. Any programs or announcements that are slanderous, obscene, indecent, profane, vulgar, repulsive or offensive, either in theme or treatment.
- E. Unauthenticated Testimonials. Any testimonials which cannot be authenticated.
- F. Descriptions of Bodily Functions. Any continuity which describes in a repellent manner bodily functions.
- G. Advertising. Any advertising matter or announcement which may, in the opinion of Lee, be injurious or prejudicial to the interests of the public or the Station, or to honest advertising and reputable business in general.
- H. Contests. Any contests or promotions which are in any way misleading or constitute a public nuisance or are likely to lead to injury to persons or property.
- I. Telephone Conversations. Any programming in violation of any statute, regulation or policy including, with limitation to, Section 73.1206 of the FCC's rules, or any successor regulation, dealing with the taping and/or broadcast of telephone conversations.

ATTACHMENT III

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PROGRAM AND OPERATION STANDARDS

The parties may jointly waive, in writing, any of the foregoing policies in specific instances if, in their opinion, good broadcasting and the public interest are served. In any case where obvious questions of policy or interpretation arise, SBBC will attempt in good faith to submit the same to Lee for decision before making any commitments in connection therewith.

ATTACHMENT IV

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**ANTI-PAYOLA/PLUGOLA AFFIDAVIT
(Annual Statement)**

City of Saginaw
County of Bay
State of Michigan

Joseph M. Mengden, being first duly sworn, deposes and says as follows:

1. He is Chief Executive Officer of Saginaw Bay Broadcasting Corporation (SBBC).
2. He has acted in the above capacity since May, 1992.
3. No matter has been broadcast by Company on the Station for which service, money or other valuable consideration has been directly or indirectly paid, or promised to, or charged, or accepted from any person, which matter at the time so broadcast has not been announced or otherwise indicted as paid for or furnished by such person.
4. So far as he is aware, no matter has been broadcast by SBBC or the Station for which service, money, or other valuable consideration has been directly or indirectly paid, or promised to, or charged, or accepted by the Station in furnishing programs, from any persons, which matter at the time so broadcast has not been announced or otherwise indicated as paid for or furnished by such person.
5. In the future, SBBC will not pay or promise to pay to any third party, request or receive any service, money, or any other valuable consideration, direct or indirect, from a third party, in exchange for the influencing of, or the attempt to influence, the preparation or presentation of broadcast matter on the Station.
6. No officer, director or shareholder of SBBC has any present direct or indirect ownership in (other than an investment in a corporation whose stock is publicly traded and held), serves as an officer or director of (with or without compensation), or serves as an employee of any person, firm or corporation engaged in:
 - A. The publishing of music;
 - B. The production, distribution (including wholesale and retail sales outlets), manufacture or exploitation of music, films, tapes, recordings, or electrical transcriptions of any program material intended for radio broadcast use;

ATTACHMENT IV

Page 2 of 2

ANTI-PAYOLA/PLUGOLA AFFIDAVIT
(Annual Statement)

- C. The exploitation, promotion, or management of persons rendering artistic, production and/or other services in the entertainment field;
- D. The wholesale or retail sale of records intended for public purchase; or
- E. Advertising on the Station.

SAGINAW BAY BROADCASTING CORPORATION

By *John Mengden*

Chairman and C.E.O.

Subscribed and sworn to before me

this 19 day of January, 1994.

My Commission Expires October 8, 1997

Dorothy J. Mengden

Notary Public

County of Wayne

State of Michigan

acting in Seneca County

RIGHT OF FIRST REFUSAL

This Right of First Refusal ("Right of Refusal") is made and entered into by and between David Lee Communications, Inc. ("Lee"), David Lee Schnohrer ("Stockholder"), and Saginaw Bay Broadcasting Corporation ("SBBC").

P R E C I S I O N

WHEREAS, Lee is the licensee of Radio Station WERX(AM), Flint, Michigan (the "Station"), pursuant to a license (the "Station License") issued by the Federal Communications Commission ("FCC"); and

WHEREAS, the application for renewal of the Station License (File No. BR-89080203) ("Renewal Application") has been designated for hearing by the FCC (MM Docket No. 93-398); and

WHEREAS, the Station is currently off the air; and

WHEREAS, Lee and SBBC have entered into a Time Brokerage Agreement (the "TBA"), of even date herewith, whereunder the Station will resume operation and SBBC will provide programming for broadcast on the Station; and

WHEREAS, Lee desires to provide to SBBC, and SBBC desires to receive, a right of first refusal with respect to the sale or transfer of the Station;

NOW, THEREFORE, for and in consideration of SBBC entering into the TBA, and the mutual covenants herein contained, the receipt and sufficiency of which consideration is hereby acknowledged, the parties hereto have agreed, and do agree, as follows:

- 2 -

1. Sale or Transfer of Station. During the term of this Right of Refusal, neither Lee nor Stockholder shall sell or transfer, or enter into any obligation to sell or transfer, the Station without first complying with the Right of Refusal provisions set forth in Section 2, below. As used in this section, the terms "sell" or "transfer" include any sale, gift, exchange, pledge, hypothecation, encumbrance, transfer in trust, or contract or option to sell or transfer any legal or equitable interest in and to the Station where such action or transaction involves either an assignment of the broadcast license of the Station, or a transfer of control of the corporate licensee of the Station requiring prior FCC approval by the filing of an FCC application on current FCC Form 314 or 315.

2. Right of First Refusal.

(a) Within twenty-four (24) hours of receipt by Lee or Stockholder of a bona fide offer (which term is defined below) for the sale or transfer of the Station which Lee or Stockholder plan to accept (the "Offer"), Lee and/or Stockholder shall give written notice to SBBC of such Offer (the "Sale Notice"). The Sale Notice shall state the name of the offeror (the "Offeror") and all of the essential terms of the Offer and shall be accompanied by a true copy of the Offer. A bona fide offer shall mean, for the purposes of this Right of Refusal, any offer submitted in writing and signed by a third person containing all of the following information:

(1) The third person's full name, address and agreement to purchase Lee's stock or any of the assets of the

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Station, including, but not limited to, the Station License and any assets used or useable in the operation of the Station; and

(ii) The total purchase price, the method of payment, and all other terms and details of the offer.

(b) For a period of thirty (30) days after it receives the Sale Notice (the "Refusal Period"), SBBC shall have a right to make and have accepted an alternative offer (the "Alternative Offer") with a purchase price which is eighteen percent (18%) less (the "Reduction") than stated in the Offer. The Reduction shall apply to each of the financial terms of the Offer, including, but not limited to, the amount of any escrow deposit, any cash payment, and any promissory note, so that each payment under the Alternative Offer shall be eighteen percent (18%) less than each such payment stated in the Offer. With respect to all other material terms of the Offer, the Alternative Offer shall match such terms.

(c) In the event SBBC fails to exercise its right to make an Alternative Offer within the Refusal Period, Lee and/or Stockholder may sell or transfer the Station to the Offeror if (i) such sale is on the terms and conditions set forth in the Sale Notice, and such sale occurs no later than thirty (30) days after the date upon which all required government approvals to the sale of the Station to Offeror, including FCC consents, have been granted and have become final, or (ii) twelve (12) months after the date of the Sale Notice, whichever date is earlier. "Final" means no longer subject to judicial or administrative review, reconsideration or rehearing.

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3. Distress Sale. The parties recognize and acknowledge that, particularly in light of the designation for hearing of the Renewal Application, an Offer may be made by a minority-controlled Offeror (the "Distress Sale Offeror") pursuant to the FCC's distress sale policy (a "Distress Sale Offer"). Any such Distress Sale Offer may be accepted by Lee and/or Stockholder only if the Distress Sale Offeror agrees to assume all of the rights and obligations of Lee and Stockholder under this Right of Refusal.

4. Assignability. SASC shall have the right to assign its Right of Refusal to any third party.

5. Term. This Right of Refusal shall remain in effect for a period of one (1) year after (a) the end of the term of the TBA or (b) the end of any extension of the term of the TBA, whichever is later.

6. Construction. This Right of Refusal shall be construed in accordance with the laws of the State of Michigan.

7. Headings. The headings contained in this Right of Refusal are included for convenience only and no such heading shall in any way alter the meaning of any provision.

8. Counterparts. This Right of Refusal may be signed in one or more counterparts, each of which shall be deemed a duplicate original and binding upon the parties.

9. Effective Date. The effective date of this Right of Refusal is the date opposite the signature of the last party executing it.

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10. Noting. Any notice required hereunder shall be in writing and deemed given when delivered personally, or by a recognized overnight courier service which issues a receipt, and addressed as follows, or as otherwise designated by the parties in writing:

If to Lee or Stockholder:

David Lee Schuchter
President
David Lee Communications, Inc.
6-3456 W. Bristol Road
Flint, Michigan 48507

With a copy to:

Arthur Belendiek, Esquire
Smithwick & Belendiek, P.C.
1990 M Street, N.W.
Suite 510
Washington, D.C. 20036

If to SBBC:

Saginaw Bay Broadcasting Corporation
c/o Joseph M. Mangion
3071 Bay Road
Suite 100
Saginaw, Michigan 48503

With a copy to:

Matthew H. McCormick, Esquire
Reddy, Begley & Martin
1061 22nd Street, N.W.
Suite 350
Washington, D.C. 20037

11. Entireability. In the event any provision of this Right of Refusal shall be held invalid or unenforceable according to law, such holding or action shall not invalidate or render unenforceable any other provision of this Right of Refusal.

- 6 -

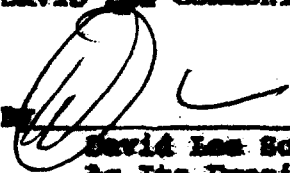
12. Entire Understanding. This Right of Refusal contains the entire understanding between the parties and there are no other agreements, representations, warranties or understandings, oral or written, between them with respect to the subject matter hereof. No alteration, modification or change of this Right of Refusal shall be valid unless by written instrument.

13. Binding Effect. This Right of Refusal shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, assigns, heirs and legal representatives.

IN WITNESS WHEREOF, the parties hereto have executed this Right of Refusal as of the date written beside their names.

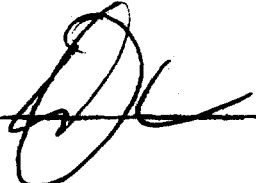
DAVID LEE COMMUNICATIONS, INC.

Date: JAN 19, 1994


By David Lee Schuehrer
As Its President

DAVID LEE SCHUEHRER

Date: JAN 19, 1994


By David Lee Schuehrer
As Its President

SEGINAW DAY BROADCASTING CORPORATION

Date: JAN 19, 1994

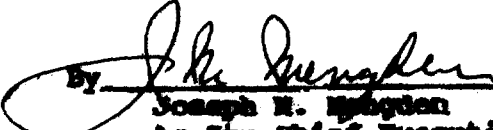

By Joseph M. Engelen
As Its Chief Executive Officer

EXHIBIT 3

New tricks awaiting revived WTRX

Radio station back
with sports/talk format

By Doug Pullen
JOURNAL MEDIA WRITER

Radio station WTRX-AM (1330) returned to the airwaves at 8 a.m. today, ending more than three years of silence for one of Flint's once-top-rated radio stations.

Switching from heavy metal to heavy metal, WTRX returned with a 24-hour sports/talk format.

It begins airing Red Wings hockey games Friday, when Detroit takes on Pittsburgh at Joe Louis Arena.

"We wanted to get on the air," said Joe Mengden, owner of Saginaw sports/talk station WMAX-AM (1440), whose programming will air over WTRX's signal.

WMAX signed on last May and airs a mixture of live call-in shows from the Satellite Entertainment Network and locally produced programs, including WNEM-TV (Channel 17) sportscaster Todd Arner's noon call-in show.

WTRX will carry only SEN programs until this weekend. Digital telephone cable needed to simulcast Saginaw programs should be in by Sunday, Mengden said.

Today's sign-on was Burton-based WTRX's first broadcast since owner David Lee Scheuhrer pulled the plug on what was then WDLZ on Aug. 20, 1990.

Mengden said he plans to add some Flint sports reporters and advertising sales representative by next month "to give it a distinct Genesee/Flint flavor."

Please see WTRX, B2

WTRX

Continued from B1

A local toll-free number for call-in shows should be available within a few days, Mengden said.

The revival of the 47-year-old station comes a month before the Federal Communications Commission was scheduled to hold a hearing about the station's long silence.

WTRX was one of 25 stations across the country designated for review by the FCC, said Margaret Engler, staff attorney with the FCC's AM radio branch.

Mengden said the issue is moot now that WTRX is returning to the airwaves.

"It was in the public interest," he said of the FCC's action. "The license should be on the air."

WTRX could be sporting new sound by February

Burt's long-silent WTRX-AM (1330) could be back on the air by February, pending FCC approval.

Owner David Lee Schuchter says he's worked out an arrangement, called a time brokerage agreement, to simulcast Saginaw sports station WMAZ-AM (1440).

WTRX has been off the air more than three years.

"It's an all-sports talk format, but we'll get into some local football, high school stuff," says Schuchter, who bought the station for \$225,000 at an auction in 1980.

He switched formats from what contemporary to satellite-fed heavy metal, dumped most of the staff and changed its call letters to WDLZ.

Flint and heavy metal would seem to go hand-in-hand, but, citing poor ratings, he pulled it off the air on Aug. 20, 1980.

Locals wondered if it would ever return, but after considering proposals to go with either a newstalk or



DOUG
PULLEN

Metromax's old format, Schuchter parted up when the Saginaw sports station came calling.

"It's something Flint needs. It's such a sports-oriented town," said Schuchter, 42, a former disc jockey who owns Select Homes of Michigan, among other businesses.

WMAZ couldn't acquire a license in Flint because there aren't any available, said owner Joe Mangum.

The FCC requires WMAZ to block its signal to the south because it would overpower that of an existing station. But Mangum wanted to get into Genesee County. So he called Schuchter.

"We're leasing time on his transmitter. He'll own the station and be the licensee subject to FCC rules," Mangum said. "What we are doing is paying him for the use of his airwaves, which are 5,000 watts daytime, 1,000 at night."

WMAZ will provide the programming, which includes talk shows syndicated by the Satellite Entertainment Network, local sports news and call-in shows and live sports events, including the Buick Open and, possibly, the Flint Generals next season.

"The Flint market is much better than the Tri-Cities market," Mangum said of the Saginaw/Midland/Day City area. "First of all, it's one city. We have three and they don't talk to each other. You have one big newspaper, instead of three like ours. And you've got the Generals and more local sports than we have."

Schuchter says the return of the former local radio giant is yet another positive

development in what he calls "the resurrection" of Flint.

THE BOSS: Ross Holland, 35, is urban contemporary WDLZ-FM's (92.7) new

program director. He joined the staff on Jan. 10 as host of its 6-10 a.m. "Breakfast Club" show.

Holland's on-air moniker is Ross the Boss. He's a 15-year radio vet and MSU grad who comes to Flint from Detroit urban contemporary giant WJLB, where he was assistant program manager and production director.

Holland replaces Terry "The Maestro" Chisholm, who resigned Dec. 17.

"He has enough experience to where he could become a coach and teacher and mentor for the rest of the staff," said station manager Richard Dacht.

The station also has parted company with Atlanta consultant Harry Lytle. Chicago's Tony Gray, of Gray Communications, is the new consultant. He also happens to be WJLB's consultant.

EXHIBIT 4